

How Can Green Environmental Policies Enhance Rural Energy Access?

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Why Energy-Environment?

Energy Sector Preoccupations

“Flavor of the decade”

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Energy Sector Preoccupations

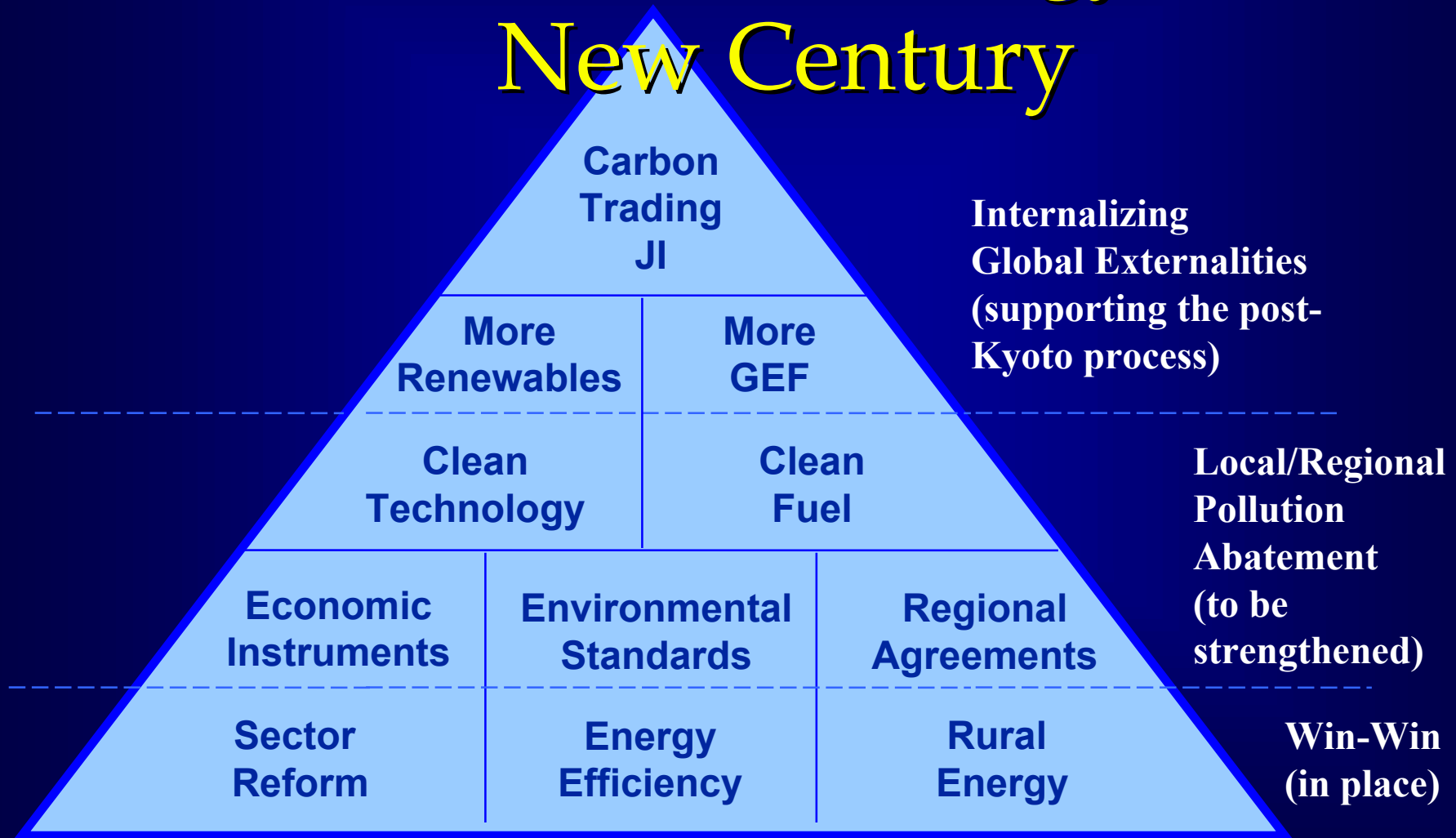
“Flavor of the decade”

1975-1985 = Where are we going to find all the oil?

1985-1995 = Where are we going to find all the finance?

1995-???? = How are we going to avoid despoiling the land, water and air (and avoid burning up the planet)?

Fuel For Thought: Environmental Strategy for the New Century



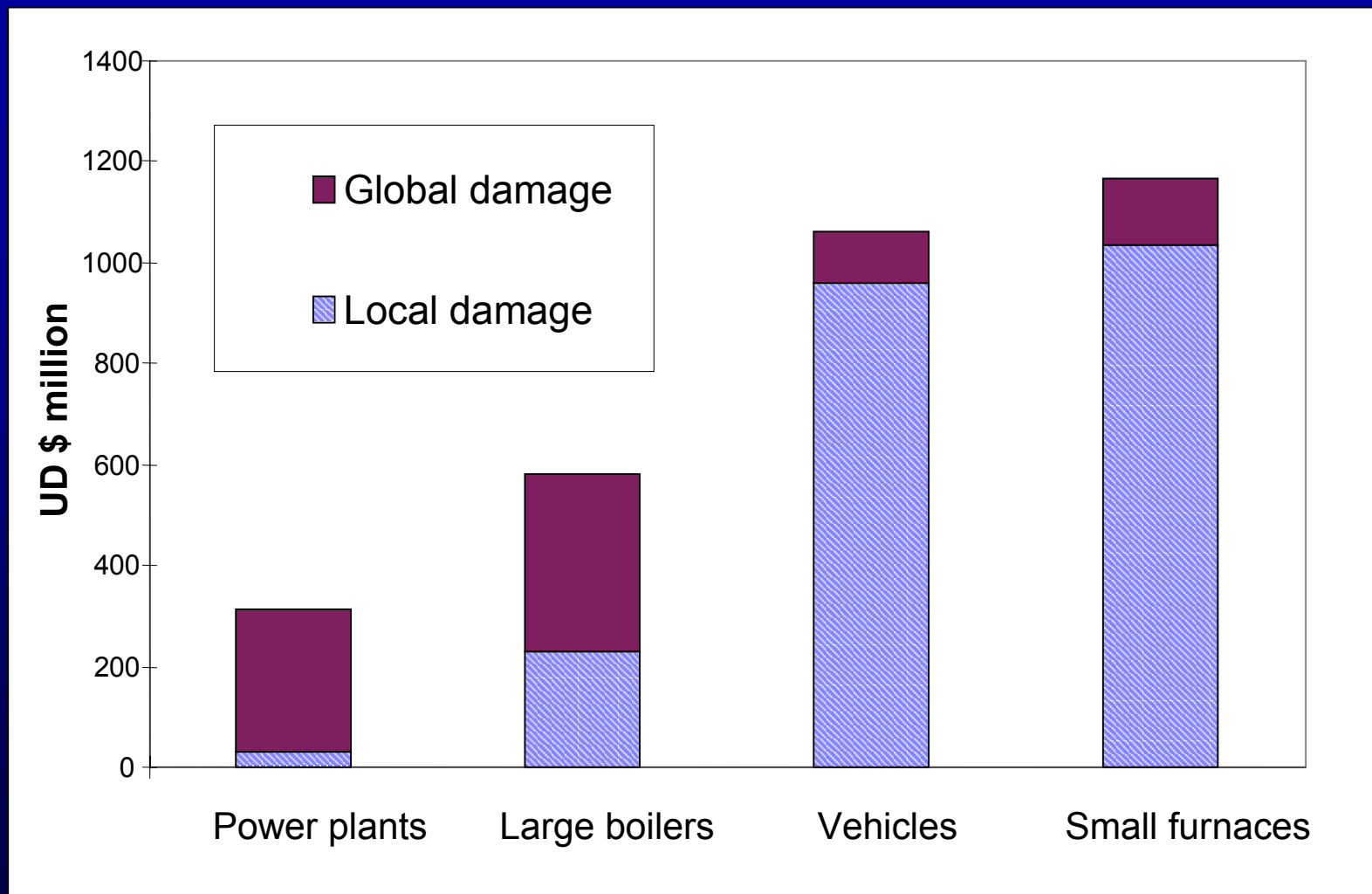
Exploding some myths - #1

- ? Local desires for clean air will be a major driver for “Village Power” type off-grid/renewable energy



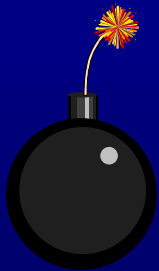
Contribution to local and global damages

Average for six cities



Exploding some myths

- ?
- Local desires for clean clean electricity will be a major driver for Village Power-type off-grid/renewable energy
- degradation from unsustainable natural resource management
 - indoor air pollution
- ... all much greater environmental health concerns



Exploding some myths - #2

- ? The failure of COP-6 shows that the Kyoto Protocol is dead

Beyond The Hague

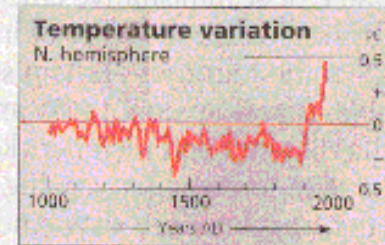
The collapse of last weekend's UN summit on global warming is not the disaster that many claim

REACTIONS to the breakdown of the UN climate-change summit in The Hague have been little short of hysterical. Although the assembled ministers worked night and day, and came tantalisingly close to an accord on implementing the 1997 Kyoto treaty committing rich countries to cut emissions of greenhouse gases, they failed to sew it up. There was an immediate outbreak of name-calling, with Britain's "macho" environment minister, John Prescott, claiming that his French opposite number, Dominique Voynet, had been too tired to understand the deal; and many others pointing fingers accus-

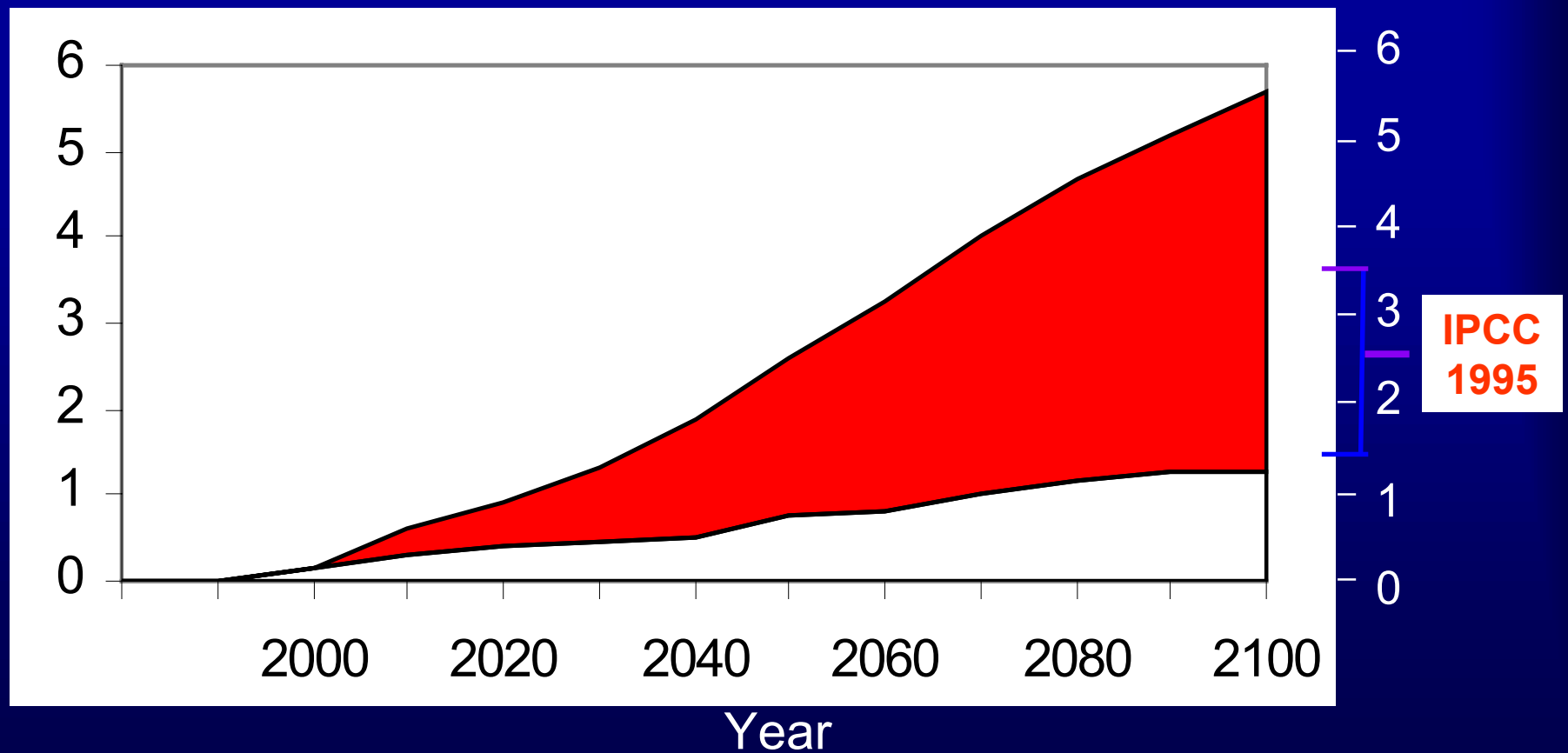
ingly at the Americans. Green lobbyists swiftly declared that the earth was doomed.

Yet this is rubbish. Global warming is at least a 100-year problem. It is ridiculous to suggest that the earth is in sudden peril because negotiators have failed to agree on remedial action today. Ministers plan to meet again in six months' time in Bonn to continue their talks. A few more months will make little difference—so long as the outcome is a sound treaty with flexible provisions and institutions that endure.

The Hague meeting offered some grounds for optimism on



Projected Temperature Change IPCC 2000

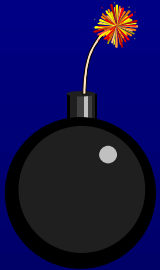


Exploding some myths - #2



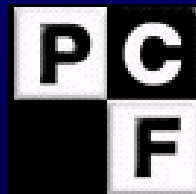
The failure of COP-6 shows that the Kyoto Protocol is dead

- delays are not fatal
- excellent progress made on the CDM
- business supporting implementation of the market mechanisms
- climate change problem is not going away
- climate change poised to be a major driver for the “Village Power” agenda

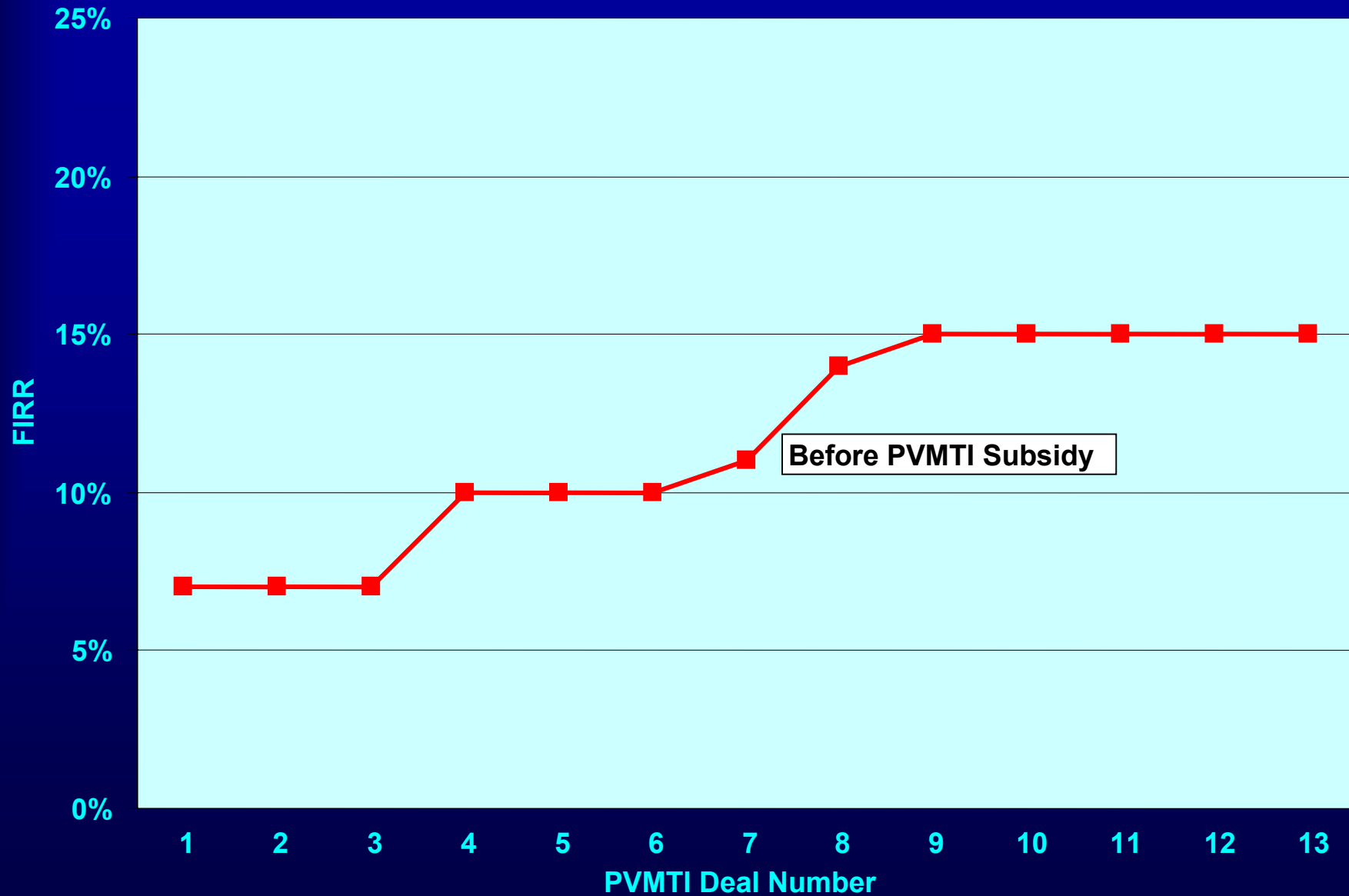


PV and Carbon Markets

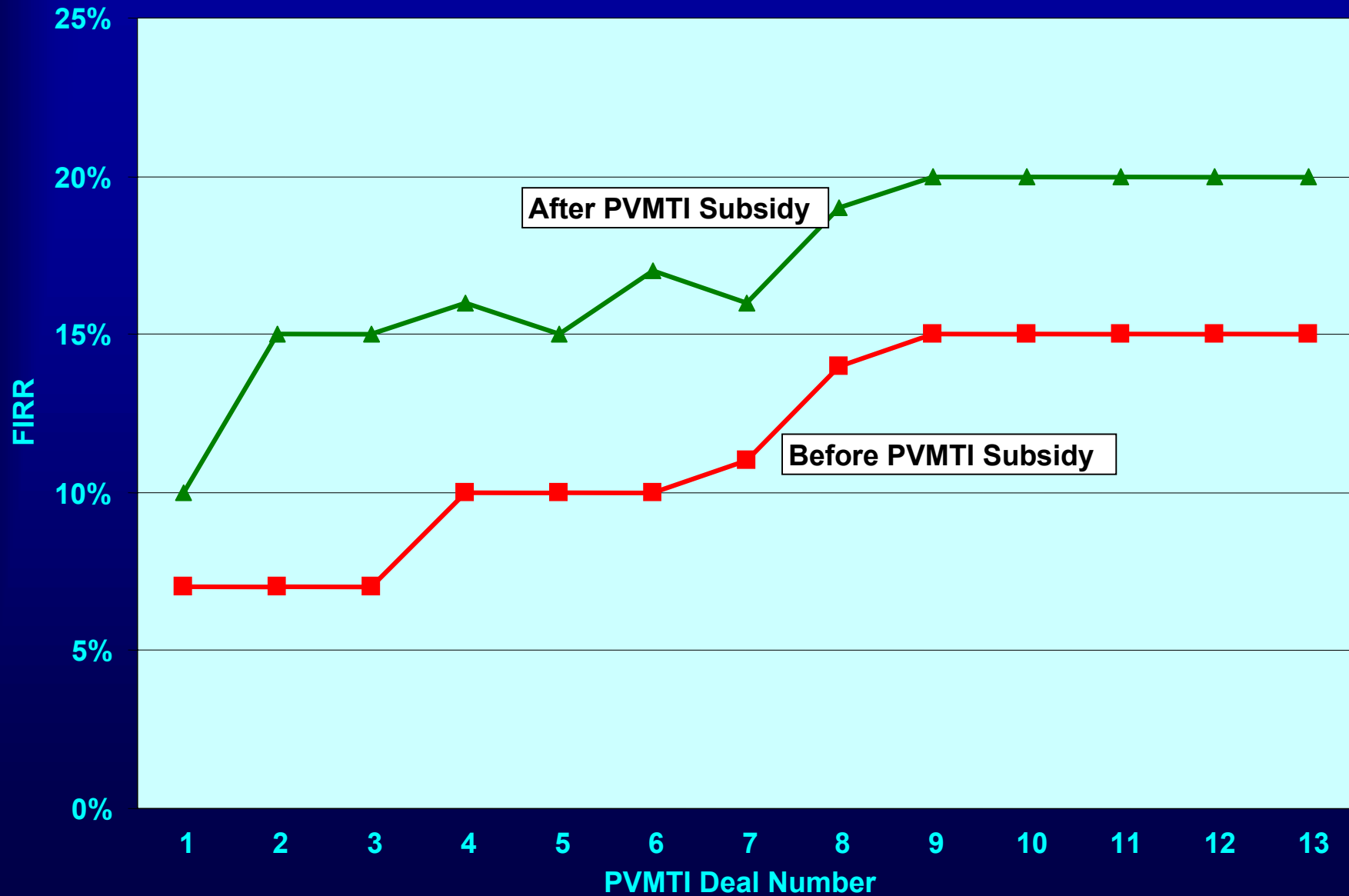
PVMTI Dealflow Analysis Early Results



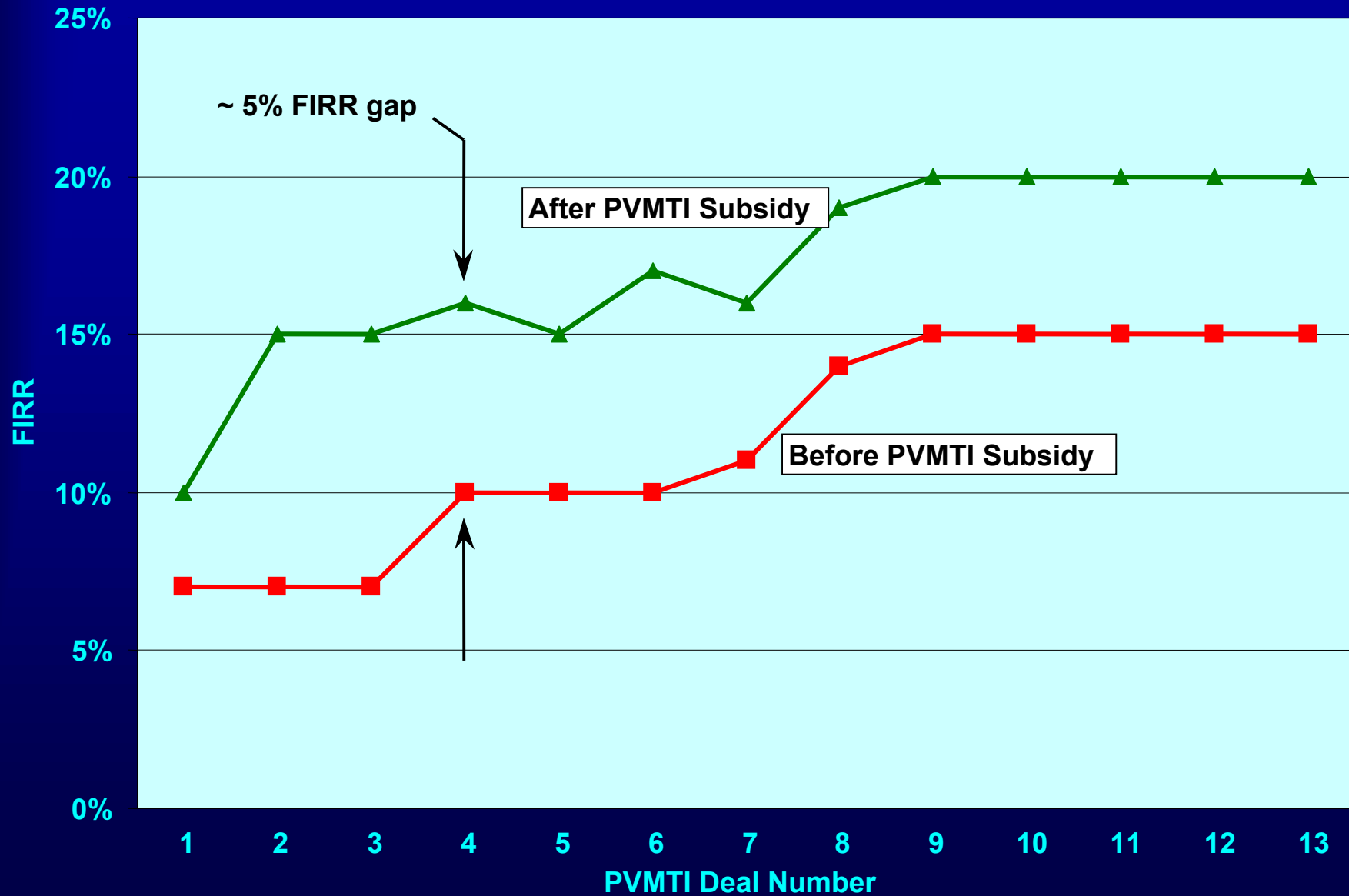
PVMTI Deal Profitability



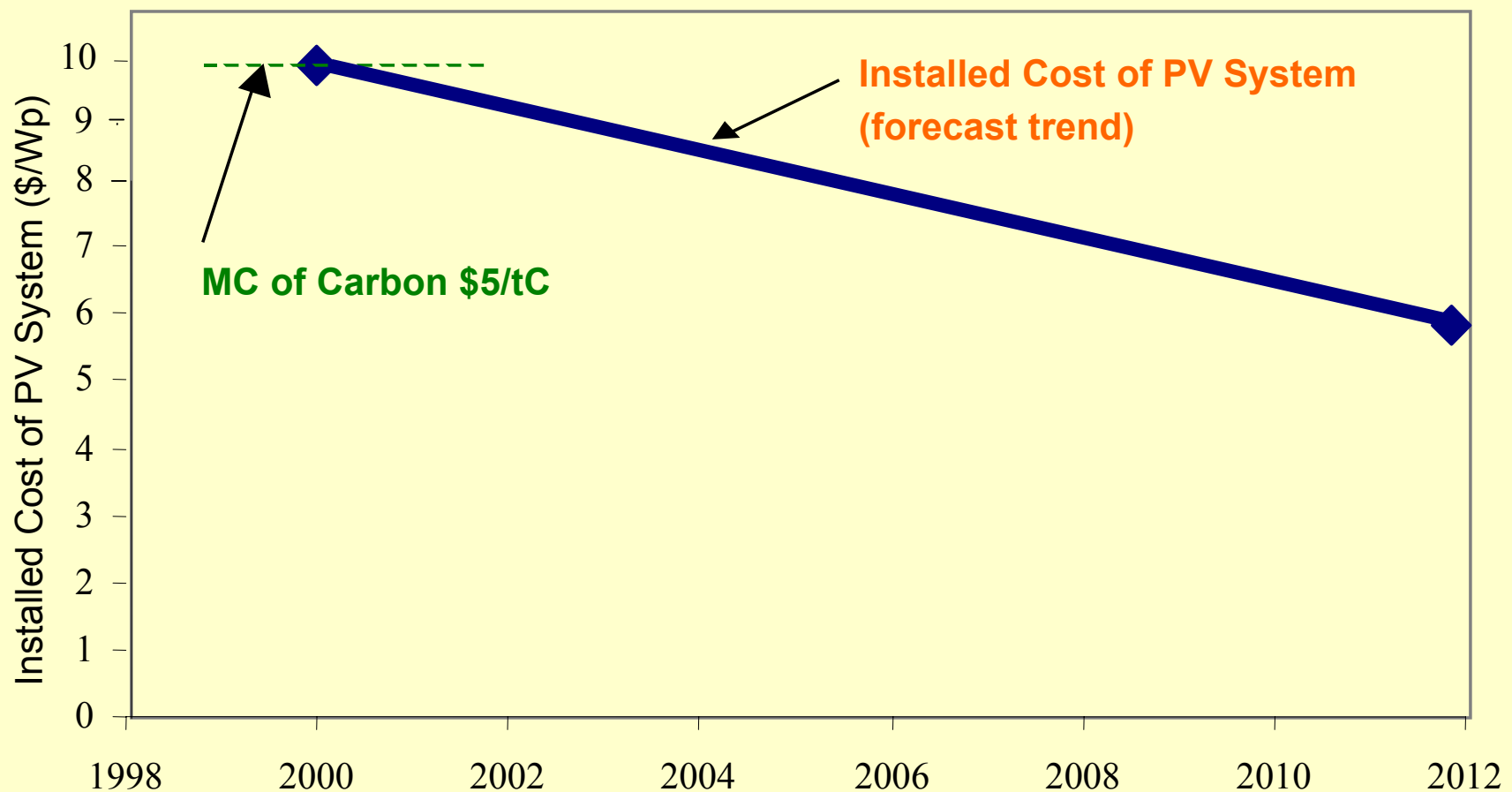
PVMTI Deal Profitability



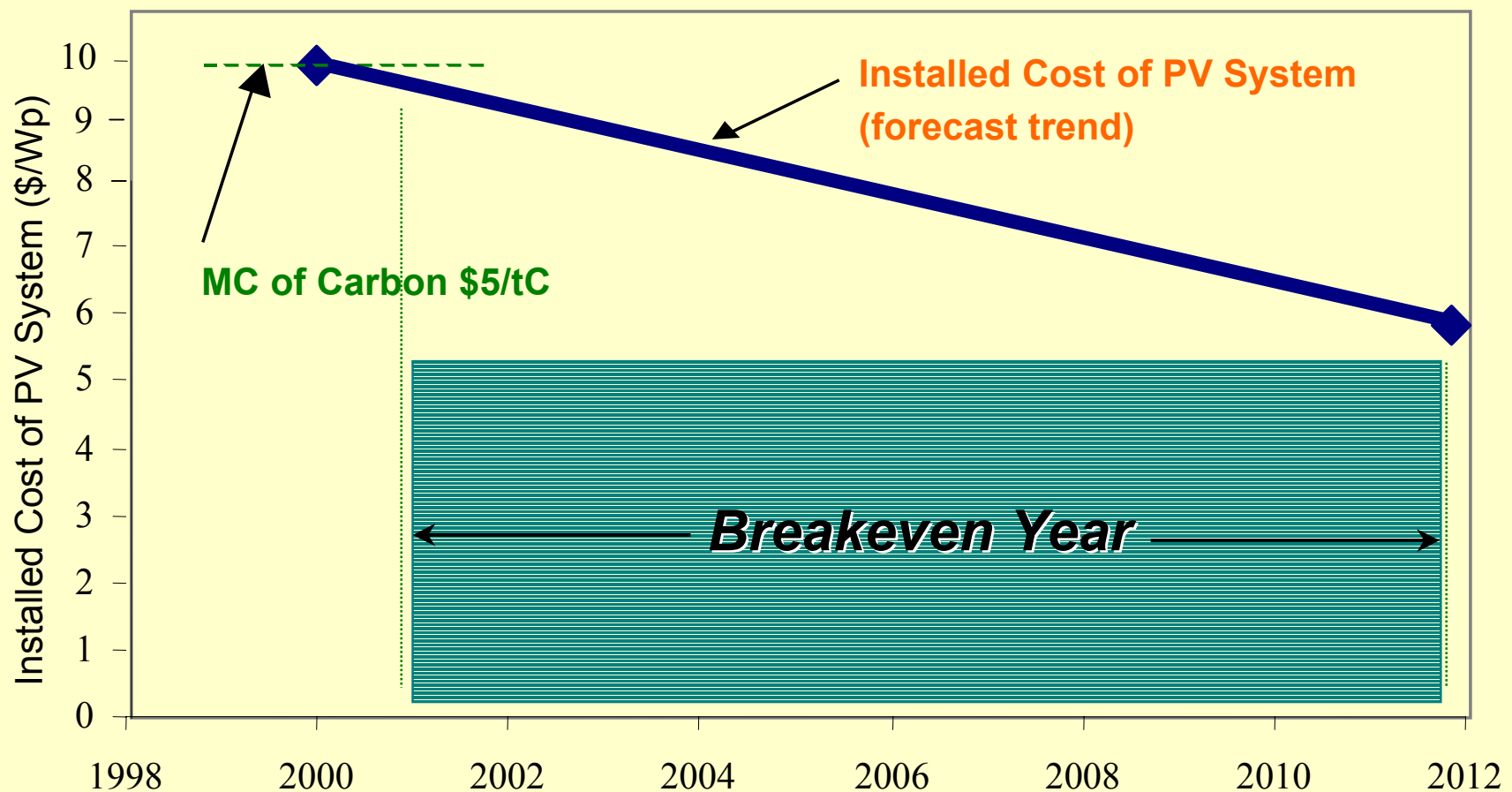
PVMTI Deal Profitability



PV and the CDM: Breakeven Points



PV and the CDM: Breakeven Points



Keeping the CDM Village Power Friendly

- \$5/tonne Carbon competitive in a future CDM market of \$10-30/tonne Carbon
- But... CDM negotiators: Don't blow it!
- Kyoto attempts to address a long term problem with short term solutions:
 - 2012 carbon credit horizon disadvantages high up-front cost but long-lived renewables
- Unless simplified monitoring and verification protocols are adopted, transaction costs could be a killer

Shifting Goalposts

